

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Costa Rica

## Sugar Annual

## Sugar Production and Trade

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**Report Highlights:**

Costa Rica's sugar cane and sugar production rebounded in 2011/2012 to 3,750,000 and 390,000 MT, respectively. Good weather conditions in the main production areas during 2011 resulted in higher production. Production is forecast to increase again during 2012/2013 as a result of slightly larger area planted.

## **Executive Summary:**

Costa Rica's sugar cane production in 2011/2012 is expected to increase to 3,750,000 MT as compared to 3,320,000 MT in 2010/2011 (13 percent higher). Sugar cane is expected to increase 9 percent to 390,000 MT in 2011/2012 as compared to 355,000 MT during the previous crop year. Relatively favorable weather during 2011 resulted in higher output. The sugar sector had experienced very negative weather conditions during 2010 which resulted in lower crop yields in 2010/2011.

Higher production is expected in 2012/2013, assuming weather conditions are relatively normal during 2012. Some of the main production areas in the Guanacaste region tend to suffer flooding during the rainy season. Although sugar cane is fairly resistant to flooding, some areas remain under water for a longer period of time resulting in higher losses. Costa Rica has continued to export its U.S. quota allocation and has been able to take advantage of additional volumes allocated under the U.S. WTO sugar quota.

## **Commodities:**

Sugar

## **Production:**

Costa Rica's sugar industry is made up of approximately 7,000 producers and 13 sugar mills, distributed in 6 regions of the country. However, more than 60 percent of cane production is concentrated in the pacific region, mainly in the province of Guanacaste. The majority of the sugar mills are owned by Costa Rican nationals, although at least one company is owned by Guatemalan investors. LAICA is the institution that regulates the relationship between producers and millers. LAICA is also involved in the marketing and sales of sugar and sugar products for domestic consumption and for export.

Based on preliminary data from LAICA, cane and sugar production are expected to reach 3,750,000 MT and 390,000 MT respectively during crop year 2011/2012. Also, as a result of better weather conditions throughout 2011 (mainly less rainfall and flooding) sugar yields were higher resulting in higher sugar production. The largest mill in the Southern region of Perez Zeledon, which had been affected in the past by a disease known as "orange rust" caused by the fungi *Puccinia kuehnii*, has almost finished substituting plantations with varieties that are more resistant to the fungi.

## **Area Planted:**

Area planted of sugar cane is estimated to be 57,000 ha. with 54,000 ha. being harvested. Area planted is expected to increase slightly in 2012/2013 as a result of reduced uncertainty among producers regarding CAFTA-DR. New areas will be planted in Guanacaste as the larger mills are trying to increase production to utilize their installed capacity. Mills in the Guanacaste region continue to lure producers of other crops (mainly rice) to shift to sugar cane production. As a result of current market conditions and uncertainty in the rice sector, more rice producers are expected to start planting sugar. However, sugar mills in the Central part of the country are struggling in order to keep sugar area planted from declining, as competition from urbanization and high land prices are slowly taking area away from sugar.

## **Yields:**

Data provided by the Costa Rican Sugar League (LAICA) indicates that the average sugar cane yield declined sharply from 75.6 MT/ha. in 2009/2010 to about 61.1 MT/ha. in 2010/2011. The average sugar yield was 99.56 kg/ton in 2009/2010 and reached 106.9 kg/ton in 2010/2011. Yields dropped as a result of a very strong rainy season during calendar year 2010 that resulted in extensive flooding in some areas of Guanacaste. The flooding did not recede quickly, resulting in cane losses as well as lower sugar production. Both cane and sugar yields are expected to improve during the 2011/2012 crop.

## **Consumption:**

Costa Rica's sugar consumption was 236,770 MT in 2010/2011, and it is forecast to increase to 250,000 MT in 2011/2012. Per capita sugar consumption is estimated at 51.31 kg. for 2010/2011. Costa Rica's per capita sugar consumption is one of the highest in the region, although it has declined from a record 59.2 kg in 1997-1998. Total sugar consumption is divided almost equally between direct consumption and industrial use. Costa Rican mills produce different types of sugar for the domestic market including white sugar, refined, white special and raw sugar.

**Trade:**

Costa Rican sugar exports reached 107,524 MT valued at \$66.9 million during the 2010/2011 crop year. Exports are expected to reach 140,000 MT in 2011/2012. The main destinations for Costa Rica's sugar during that period were Canada and the United States. Exports to the United States include the U.S. WTO, and the CAFTA-DR sugar quotas, and sugar for re-export. Costa Rica already exported its WTO sugar quota to the U.S. for the 2012 fiscal year.

**Production, Supply and Demand Data Statistics:****Table 1: Sugar Cane for Centrifugal Sugar: Supply and Utilization**

Sugar Cane for Centrifugal Costa Rica	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	56	56	56	57		58
Area Harvested	52	52	53	54		55
Production	3,300	3,320	3,500	3,750		3,800
Total Supply	3,300	3,320	3,500	3,750		3,800
Utilization for Sugar	3,300	3,320	3,500	3,750		3,800
Utilization for Alcohol	0	0	0	0		0
Total Utilization	3,300	3,320	3,500	3,750		3,800

**Table 2: Centrifugal Sugar: Production, Supply and Distribution**

Sugar Centrifugal, Costa Rica	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	USDA	New	USDA	New	USDA	New

	Official	Post	Official	Post	Official	Post
Beginning Stocks	155	155	154	166		166
Beet Sugar Production	0	0	0	0		0
Cane Sugar Production	345	355	355	390		400
Total Sugar Production	345	355	355	390		400
Raw Imports	0	0	0	0		0
Refined Imp.(Raw Val)	0	0	0	0		0
Total Imports	0	0	0	0		0
Total Supply	500	510	509	556		566
Raw Exports	105	107	140	140		150
Refined Exp.(Raw Val)	0	0	0	0		0
Total Exports	105	107	140	140		150
Human Dom. Consumption	241	237	245	250		255
Other Disappearance	0	0	0	0		0
Total Use	241	237	245	250		255
Ending Stocks	154	166	124	166		161
Total Distribution	500	510	509	556		566

All data in 1000s of MT and 1000s of hectares.

**Table 3: Centrifugal Sugar: Export Trade Matrix**

Export Trade Matrix	
Costa Rica	
Sugar, Centrifugal	
MT	
Time Period	2010/2011
Exports for:	
U.S.	62,524
Others	
Canada	30,046
Venezuela	9,201
Bahamas	5,753
Total for Others	45,000
Others not Listed	0
Grand Total	107,524

